



DRAFT

**CITY OF SCOTTSDALE HOUSING BOARD
REGULAR MEETING
ONE CIVIC CENTER
3RD FLOOR CONFERENCE ROOM
7447 EAST INDIAN SCHOOL ROAD
SCOTTSDALE, ARIZONA
JUNE 13, 2006**

- PRESENT:** Del-Monte Edwards, Chairman
Joe Priniski, Vice-Chairman (arrived at 5:31 p.m.)
Nancy Cantor, Board Member
Gary Morgan, Board Member
Sheldon Sigismund, Board Member
Michele Swinick, Board Member
- ABSENT:** George Leonard, Board Member
- STAFF:** Judy Register, Citizen & Neighborhood Resources General Manager
- GUEST:** Laurel Edgar, Redevelopment Manager, Economic Vitality Department

1. **CALL TO ORDER/ROLL CALL**

Chairman Edwards called the regular meeting of the Scottsdale Housing Board to order at 5:07 p.m. A formal roll call confirmed the members present as stated above.

2. **INTRODUCTION OF NEW BOARD MEMBER, NANCY CANTOR**

Chairman Edwards invited Board Member Cantor to introduce herself. Board Member Cantor is very interested in the direction of redevelopment in Scottsdale and how the Housing Board will play a big part in it. She explained that she previously served on the Neighborhood Enhancement Commission for 12 years. Housing Board member introductions followed.

3. **REVIEW AND APPROVAL OF PREVIOUS MINUTES**

May 9, 2006 Housing Board Meeting

In response to Board Member Swinick's inquiry about filling the open Board and staff positions, Ms. Register reported that there are now four open positions and she will be making a decision this week on one of them, with further interviews thereafter.

BOARD MEMBER MORGAN MOVED FOR APPROVAL OF THE MAY 9, 2006 HOUSING BOARD MEETING MINUTES. BOARD MEMBER SWINICK SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF FOUR (4) TO ZERO (0), WITH BOARD MEMBER CANTOR ABSTAINING.

4. **COMMERCIAL AND RESIDENTIAL REVITALIZATION PLANNING**

Ms. Register stated that at the May meeting the Board expressed a desire to learn more about housing development projects currently underway in the City. She introduced Ms. Edgar from the Economic Vitality Department who presented an update on Scottsdale revitalization. Ms. Edgar began by clarifying how her department relates to planning.

Ms. Edgar stated that the Planning Department's goal in long-term planning is to work with zoning codes, look at long-term projects, and create guidelines to reach the City's planning goals.

Board Member Sigismund clarified that planning is more conceptual, and as projects arise a determination is made as to whether they fit in the long-term goals and concepts of the Department.

The Planning Department:

Ms. Edgar explained that the Planning Department consists of planners, engineers, blueprint readers, and inspectors. The Department issues Building Permits, Certificates of Occupancy, and other planning documents.

The Planning staff consists of the Zoning Administrator, Planning Board, Design Review Board, and support staff. People are most familiar with the project managers who work with developers or property owners to bring forward specific projects. Ms. Edgar noted that Planning is broken into three geographical areas: 1) Don Hadder handles north Scottsdale, 2) Tim Curtis handles central Scottsdale, and 3) Mack Cummings handles southern Scottsdale.

Who the Economic Vitality Department is and What it Does:

Ms. Edgar reported that Economic Vitality Department interfaces with the Planning Department and advocates for business within the City.

Ms. Edgar provided an overview of the Economic Vitality Department's website consisting of: 1) Demographics and Economic Reports, and 2) Project Activity. Listings that include the tracking of southern Scottsdale investment activities.

Ms. Edgar indicated that most projects are commercial with some large residential projects; single-family housing and remodeling projects are not tracked. The Department works specifically in revitalization and does not track projects for the whole city. Ms. Edgar explained that the projects circled in red consist of approximately 25% of the projects that have some focus on residential projects.

Ms. Edgar reported that the Economic Vitality Department was formed in 2001. The Department was formed by combining the Redevelopment Department (a subsection of Planning); the Economic Development Department; a Tourism component; and a Business Services Manager.

Ms. Edgar explained that the Economic Vitality Department consists of four sections: 1) Economic Development, 2) Revitalization, 3) Tourism Development, and 4) Business Services. Their eight-person department has an emphasis on high impact projects, revitalization, and a focus on economic development citywide. Harold Stewart, the Business Services Manager, focuses on downtown and southern Scottsdale.

Economic Vitality Department Goals:

Ms. Edgar elaborated that the goals of the Department are: 1) to focus on quality of life, 2) improving partnerships with businesses, 3) best service and source of economic information, 4) increased communications, and 5) to support the private sector investment and confidence in Scottsdale.

Ms. Edgar reported that some of the services offered to businesses are building permit fee reductions for older sections of Scottsdale, grants for façade improvements in downtown, and an update of infrastructure in south Scottsdale.

Scottsdale Revenues and Employment:

Ms. Edgar presented documentation on: 1) the City's Growth Information; 2) Scottsdale Operating Revenues diagram' 3) Scottsdale Total Sales Tax chart; 4) Sales Tax Revenue per Capita chart;, and 5) Retain Development – Results chart.

Discussion ensued regarding future sales tax revenue per capita, competition for sales tax revenues, Scottsdale's boundaries, and zip code designations.

Ms. Edgar presented a color aerial slide depicting the key employment cores of Scottsdale—the Stacked Forties, the ASU SkySong area, the Airpark. She pointed out that the Economic Vitality Department is focused mostly on commercial revitalization, and only encourages multi-family housing when the City determines that they need to focus on it.

Scottsdale Reinvestment Projects:

Ms. Edgar reported that the City has had \$1.5 billion in Downtown Reinvestment Activity since 2003. She stated that \$500 million is being reinvested in southern Scottsdale, and presented slides of future commercial projects with completion

details: the W Hotel, Portales II Corporate Center, ASU SkySong, the ASU Scottsdale Center for Innovation, WestWorld, Kierland, and the Promenade.

Ms. Edgar stated that the Department addresses issues such as new growth policy changes regarding build-out problems, future building options, future construction tax replacements, and regional partnerships. As Scottsdale nears build-out, its focus has shifted towards revitalization and integrated mixed use (office space with condos or lofts).

In response to Board Member Sigismund's inquiry about traffic and vertical integration access issues, Ms. Edgar reported that they have discussions with the Transportation Department in order to prepare market studies on increased density and bigger arterials. Discussion followed regarding commuting, increased lanes on the 101, express bus routes, and park 'n' rides.

In response to Board Member Morgan's inquiry about vacant land, Ms. Edgar explained that the Economic Development Division partners with brokers to track large available areas for employment-based business purchase considerations.

Ms. Edgar explained that her department is actively involved in discussions with organizations about the benefits of living/working in Scottsdale, rents and availability, stating that they assist businesses and do not try to compete with the brokerage community. Ms. Edgar reported that some of the businesses being approached are bio-medical, technology, and tourism.

Ms. Edgar noted that their business services staff assists existing businesses with problems, City staff, Code enforcement, and working within City rules.

In response to Board Member Morgan's inquiry about the establishment of guidelines, Ms. Edgar elaborated that the Department prepares an annual strategic plan and presents it to City Council for input and discussion, following up with numerous meetings to gather information and direction.

Ms. Register presented a large color map depicting land parcels owned by Scottsdale. Discussion followed regarding viable property available for business development.

Affordable Housing:

Ms. Edgar stated that she had previous tax credit housing experience before coming to Scottsdale nine years ago. She was initially hired to work on the Los Arcos site, during which time an affordable housing concept arose at Pima/McDowell wherein tax credit housing was used.

Ms. Edgar described how the 200-unit apartment project was formed, the State's interest, and the City providing IDA bonds for tax credits. She recalled that they needed police protection from upset citizens. Board Member Cantor explained that the public thought it was a housing project.

Ms. Edgar recalled that there was not enough support from City Council, nor was there an opportunity to educate the citizens on the project. Most people did not

see a need in the future for affordable housing, did not know the difference between tax credit housing and HUD, and ultimately would have found that they were tax-credit eligible.

Ms. Edgar highlighted developer concept submissions, the citizen reactions, and the resulting sale of 60% of the project land for development of the Senior Center.

In response to Board Member Morgan's inquiry about current affordable housing viewpoints, Ms. Edgar noted that the economics have changed and most people are aware of the housing problems. There is still little support for financially creating affordable housing. She recommended that one option would be applying more money towards the First-Time Home Buyer Program.

Board Member Sigesmund suggested the City could allow developers higher densities in exchange for providing lower cost housing provisions. Ms. Edgar reported that staff in both the Planning and Economic Vitality Departments responds to what they believe Council will support.

Board Member Sigesmund pointed out that they might be missing a golden opportunity in redevelopment, noting that they need a pipeline into the new development areas. Ms. Edgar suggested that they address overlay districts. Affordable housing should be pitched as revitalization rather than redevelopment.

Suggested Housing Board Involvement:

Ms. Register presented information on Phase III of SkySong, recommending that the Housing Board needs to get involved with this fast-tracked project.

Ms. Edgar and Board Member Cantor provided suggestions for the Board to get more visibility and involvement in future reinvestment projects:

1. Meet with Council members to discuss affordable housing issues and solutions, providing an information sheet recommending density bonus programs, work force housing, inclusionary (mixed income) housing, and subsidization.
2. Attend the June 14, 2006 Planning Commission meeting on the SkySong project to voice the Board's position on affordable housing and mixed use issues. City Council is to decide whether or not to allow housing in SkySong on July 11, 2006.
3. The Mayor has indicated that she wants to hear more about the Condo Conversion Report after the summer recess. The Board needs to get it on a future agenda for discussion.
4. Figure out what affordable housing means to the Board, obtain a residential overlay, and attend business and citizen meetings in order to educate the public.

5. **PRIORITIZATION OF PROJECTS DISCUSSED BY THE BOARD AT THE MAY 9TH MEETING**

Ms. Register invited the Board to discuss what steps should be taken to follow up on the Condo Conversion White Paper, indicating that to date it has not been discussed or looked at by City Council. The Mayor has referenced the White Paper a couple of times, trying to motivate discussion.

Condo Conversion White Paper Discussion:

The Board discussed why the Condo Conversion White Paper has not moved forward and what they can do about it. Ms. Register suggested that the Board work on visibility at Planning Commission and City Council meetings.

Discussion ensued about how to effectively promote the Condo Conversion White Paper and the steps to take to get it on City Council's agenda.

Ms. Register suggested that a Housing Board representative attend City Council's June 20, 2006 meeting to initiate discussion before the Agenda begins. Board Member Cantor explained that if more than one member attends, the representative will receive up to six minutes to address the Council on the members' behalf. Ms. Register suggested that they inform the Mayor that they will be addressing City Council.

Discussion ensued regarding the Housing Board being an advisory to City Council and what that means. Board Member Cantor noted that her experience and knowledge about housing and development issues result from numerous discussions with City Council and attending a variety of meetings.

Chairman Edwards stated that he had not yet met with City Council members regarding the White Paper Report, and agreed to schedule individual Council member meetings to initiate discussions. Board Member Cantor stated that ever since the ASU and SkySong projects began, there has been interest in hearing all sides of the citizens' views and feelings about housing.

Chairman Edwards reported that when the ad hoc committee was created for the ASU site, the Housing Board was purposely excluded. Board Member Morgan noted that should be another topic to discuss with City Council.

Ms. Register pointed out that the Board must become visible to City Council, indicating that five telephone calls on any issue is a must.

Board Member Cantor explained how City Council's hearing process works, indicating that she has a schedule of all the upcoming SkySong meetings. She reported that the SkySong project would be going before City Council for presentation only on June 20th.

Chairman Edwards stated that he would get together with Ms. Register on Thursday to set up informal meetings with Council. Board Member Morgan suggested that Chairman Edwards initiate the discussion and one other Board Member attend the meetings with him.

Chairman Edwards opined that City Council should be educated before addressing them at any formal meetings. Ms. Register reported that a quorum

discussion with City Council, in person or online would be in violation of the Open Meeting Law.

Ms. Register suggested that they follow the example of Board Member Cantor by writing letters to the editors or opinion pieces for the newspaper. She noted that the topic of Condo Conversion would be very appropriate. Board Members could also attend City Council or Planning Commission meetings and speak as individuals on the topic.

Ms. Register agreed to have staff organize meeting dates with Councilmembers. Chairman Edwards requested a member of the subcommittee attend the meetings with him (Board Members Swinick, George, and Sigesmund).

Board Member Sigesmund pointed out that during the White Paper preparation, dozens of condo conversions fell by the wayside, indicating that they still have time to get the Condo Conversion Report before City Council. Ms. Register noted that the Board's recommendations are not to stop conversions, but what can be done to regulate them.

Board Member Sigesmund stated that once the Report is on the record, it will service notice to the adjacent cities who are addressing the same condo conversion issues, which may initiate changes in legislation.

Ms. Register stated that the Neighborhood Enhancement Commission has also expressed interesting in meeting with the Housing Board. Board Member Morgan agreed to attend the Planning Commission meeting on June 14, 2006, suggesting that Board Members address the Commission during the public comment session.

Ms. Register suggested that the Board motion to table the discussion regarding prioritizing projects until the next meeting. Board Member Sigesmund pointed out that out of the ten projects listed for prioritization, seven of them can be condensed under work force housing.

BOARD MEMBER SIGESMUND MOVED THAT THE DISCUSSION ON THE PRIORITIZATION OF PROJECTS BE TABLED UNTIL THE JULY MEETING. BOARD MEMBER SWINICK SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF SIX (6) TO ZERO (0).

6. **SUMMER MEETING SCHEDULE AND RETREAT DATE**

Board Member Morgan recommended that they continue their meetings through the summer in order to work on prioritization of projects.

Ms. Register pointed out that the Housing Board's July meeting is on the same day as City Council's meeting. She suggested that they change their July meeting to allow Board Members to attend the final City Council meeting before the end of August. Chairman Edwards suggested that they reschedule their next meeting to July 18, 2006 and set a tentative meeting for August 8, 2006. Ms. Register agreed to post the change in the meeting date.

Ms. Register undertook to prepare a schedule of meetings of interest to the Board, including the Planning Commission, the Neighborhood Enhancement Commission, the ad hoc working group, and the Design Review Board.

7. **CHAIRPERSON'S REPORT**

Chairman Edwards reported that the Board's Condo Conversion Report was presented in Tempe in April 2006. The discussion that took place there made it clear that many of the problems associated with condo conversions were foreseen twenty years ago.

8. **STAFF REPORT**

Ms. Register reported that the Board's Bylaws approval was not filed last September, indicating that she has now taken care of it. She distributed a copy of the Bylaws to Board Members.

Ms. Register presented documents on upcoming events: 1) Save the Date for the Getting Arizona Involved in Neighborhoods Event (GAIN) for 2006, 2) Scottsdale 101 schedule for the overview class on how City government is put together, and an updated City Directory.

9. **FUTURE AGENDA ITEMS**

Ms. Register stated that she added to the agenda a discussion regarding holding a joint meeting with the Neighborhood Enhancement Commission.

Chairman Edwards reiterated that the Prioritization Discussion and Condo Report be added to the July Agenda. He also requested that Rick Kidder be invited to the next meeting.

Board Member Morgan suggested that they add as a future agenda item a discussion of the Board's participation in the Human Services Board and their funding process. Chairman Edwards stated that they should have a discussion about that at the July meeting.

10. **OPEN CALL TO THE PUBLIC (A.R.S. § 38-431.02)**

No members of the public wished to address the Board.

11. **ADJOURNMENT**

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:38 p.m.

Respectfully submitted,
A/V Tronics, Inc.